

House Bill 1564

By: Representatives Benton of the 31st and Powell of the 29th

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 3 of Title 40 of the Official Code of Georgia Annotated, relating to motor
2 vehicle certificates of title, security interests, and liens, so as to change certain provisions
3 relating to definitions; to change certain provisions relating to salvaged or rebuilt motor
4 vehicles, inspections, and fees; to amend Code Section 43-47-2 of the Official Code of
5 Georgia Annotated, relating to definitions relative to the "Used Motor Vehicle Dealers' and
6 Used Motor Vehicle Parts Dealers' Registration Act," so as to redefine a term; to repeal
7 conflicting laws; and for other purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 **SECTION 1.**

10 Chapter 3 of Title 40 of the Official Code of Georgia Annotated, relating to certificates of
11 title, security interests, and liens, is amended by striking Code Section 40-3-2, relating to
12 definitions, and inserting in lieu thereof the following:

13 "40-3-2.

14 As used in this chapter, the term:

15 (1) 'Boat trailer' means any vehicle without motive power designed for carrying boats,
16 either partially or wholly on its own structure, which is being drawn by a self-propelled
17 vehicle and operated over the public roads of this state.

18 (2) 'Commissioner' means the state revenue commissioner.

19 (2.1) 'Department' means the Department of Revenue.

20 (3) 'Dealer' means a 'dealer' as defined in Code Section 40-1-1, to whom current dealer
21 registration plates have been issued by the commissioner.

22 (4) 'Homemade trailer' means a vehicle without motive power, designed for carrying
23 persons or property either partially or wholly on its own structure and for being drawn by
24 a self-propelled vehicle other than a self-propelled vehicle running exclusively on tracks,

1 which trailer has been manufactured and constructed from component parts for personal
2 use and not for the purpose of commercial resale.

3 (5) 'Identifying number' means the numbers and letters, if any, on a vehicle designated
4 by the commissioner for the purpose of identifying the vehicle.

5 (6) 'Lien' means any lien created by operation of law and not by contract or agreement
6 with respect to a vehicle and includes all liens mentioned in Code Section 44-14-320,
7 other than that in paragraph (5) thereof, and all liens for taxes due the United States of
8 America, constructive notice of which is given by filing notice thereof in the office
9 designated by state law.

10 (7) 'Lienholder' means a person holding a lien created by operation of law on a motor
11 vehicle.

12 (8) To 'mail' means to deposit in the United States mail properly addressed and with
13 postage paid.

14 (9) 'Major component part' means any one of the following subassemblies of a motor
15 vehicle:

16 (A) Front clip assembly (fenders, hood, and bumper);

17 (B) Rear clip assembly (quarter panels, floor panel assembly, and roof assembly,
18 excluding a soft top);

19 (C) Engine and transmission;

20 (D) Frame; or

21 (E) Complete side (fenders, door, and quarter panel).

22 (9.1) 'Natural person' means an individual human being and does not include any firm,
23 partnership, association, corporation, or trust.

24 (10) 'Rebuilt motor vehicle' means any motor vehicle which has been damaged and
25 subsequently restored to an operable condition by the replacement of two or more major
26 component parts.

27 (11) 'Salvage motor vehicle' means any motor vehicle:

28 (A) Which has been damaged to the extent that its restoration to an operable condition
29 would require the replacement of two or more major component parts;

30 (B) For which an insurance company has paid a total loss claim and the vehicle has not
31 been repaired, regardless of the extent of damage to such vehicle or the number of
32 major component parts required to repair such vehicle, but shall not mean or include
33 any stolen motor vehicle which has been recovered with the public manufacturer's
34 vehicle identification number plate intact and the vehicle:

35 (i) Is undamaged;

36 (ii) Has only cosmetic damage; or

(iii) Has been damaged but only to the extent that its restoration to an operable condition will not require the replacement of two or more major component parts;

(C) Which is an imported motor vehicle which has been damaged in shipment and disclaimed by the manufacturer as a result of the damage, has never been the subject of a retail sale to a consumer, and has never been issued a certificate of title.

The term salvage motor vehicle shall not include any motor vehicle for which a total loss claim has been paid which vehicle has sustained only cosmetic damage from causes other than fire or flood.

~~(11.1) 'Salvaged-repaired motor vehicle' means any motor vehicle which has been damaged and subsequently restored to an operable condition by the replacement of less than two major component parts.~~

(12) 'Security agreement' means a written agreement which reserves or creates a security interest.

(13) 'Security interest' means an interest in a vehicle reserved or created by agreement which secures the payment or performance of an obligation, such as a conditional sales contract, chattel mortgage, bill of sale to secure debt, deed of trust, and the like. This term includes the interest of a lessor under a lease intended as security.

(14) 'Security interest holder' means the holder of an interest in a vehicle reserved or created by agreement and which secures payment or performance of an obligation."

SECTION 2.

Said chapter is further amended in Code Section 40-3-36, relating to cancellation of certificate of title for scrap, dismantled, or demolished vehicles, salvage certificate of title, administrative enforcement, and removal of license plates, by striking subsections (d) and (e) and inserting in lieu thereof the following:

"(d) Any certificate of title which is issued to a salvage motor vehicle, as provided for in this Code section, shall contain the word 'salvage' on the face of the certificate in such a manner as the commissioner may prescribe, so as to indicate clearly that the motor vehicle described is a salvage motor vehicle. The legend ~~'salvaged-repaired'~~ 'rebuilt' shall be placed on a certificate of title to a vehicle which was declared a salvage vehicle and subsequently repaired with ~~less than two~~ one or more major component parts to restore the vehicle to an operable condition.

(e) Notwithstanding this subsection and subsections (c) and (d) of Code Section 40-3-37, the legend 'rebuilt' or 'salvage' or ~~'salvaged-repaired'~~ shall only be required to be placed on the certificate of title to a vehicle which was declared a salvage vehicle on or after July 1, 2004, and which was subsequently rebuilt."

SECTION 3.

Said chapter is further amended in Code Section 40-3-37, relating to salvaged or rebuilt motor vehicles, inspections, fees, exemption of motorcycles, and glider kits, by striking subsection (d) and inserting in lieu thereof the following:

"(d)(1)(A) Upon inspection under subsection (b) of this Code section, if it is determined that the motor vehicle has been restored to an operable condition by the replacement of ~~two~~ one or more major component parts, a certificate of title may be issued for such motor vehicle which shall contain the word 'rebuilt' on its face in ~~such manner as the commissioner shall prescribe~~ at least 12 point font. This requirement will indicate to all subsequent owners of the motor vehicle that such is a rebuilt motor vehicle. If any such inspection determines that the motor vehicle shall require the replacement of ~~less than two~~ one or more major component parts in order to restore the motor vehicle to an operable condition, a certificate of title shall be issued for such motor vehicle which shall contain the words '~~salvaged-repaired~~' word 'rebuilt' on its face in such manner as the commissioner shall prescribe. This requirement will indicate to all subsequent owners of the motor vehicle that such is a ~~salvaged-repaired~~ rebuilt motor vehicle.

(B) If it is determined that the motor vehicle required or shall require the replacement of ~~two~~ one or more major component parts in order to restore the motor vehicle to an operable condition, the person, firm, or corporation restoring or owning such motor vehicle shall cause the word 'rebuilt' to be permanently affixed to said motor vehicle after inspection by the commissioner. The word 'rebuilt' shall be affixed in a clear and conspicuous manner to the door post or such other location as the commissioner may prescribe. The word 'rebuilt' shall be stamped on the motor vehicle or shall be stamped on a metal plate which shall be riveted to the motor vehicle or shall be permanently affixed to the motor vehicle in such manner as the commissioner may prescribe. The requirement of this subparagraph shall only apply to motor vehicles restored after November 1, 1982.

(2) Upon inspection by the commissioner and compliance with paragraph (2) of subsection (b) of this Code section, if it is determined that the motor vehicle does not require the replacement of ~~two~~ one or more major components or has not had ~~two~~ one or more major components changed, a certificate of title shall be issued and shall contain the words '~~salvaged-repaired~~' word 'rebuilt' on its face.

(3) If, after the initial inspection, the commissioner determines that the damage is so extensive that returning such vehicle to a safe, operable condition is impossible, the salvage certificate shall be revoked and such vehicle may only be used for scrap or parts.

1 A vehicle for which such a determination is made shall not be issued a title under any
2 circumstances or conditions including but not limited to obtaining of a surety bond."

3 **SECTION 4.**

4 Code Section 43-47-2 of the Official Code of Georgia Annotated, relating to definitions
5 relative to the "Used Motor Vehicle Dealers' and Used Motor Vehicle Parts Dealers'
6 Registration Act," is amended by striking paragraph (11) and inserting in lieu thereof the
7 following:

8 "(11) 'Rebuilder' means any person, partnership, limited liability company, firm, or
9 corporation engaged in the business of buying more than three salvage or wrecked motor
10 vehicles per year for the purpose of restoring or rebuilding them with used or new motor
11 vehicle parts, or both, to be sold as motor vehicles. A rebuilder shall not include any
12 registered owner as provided in subsection (i) of Code Section 40-3-36."

13 **SECTION 5.**

14 All laws and parts of laws in conflict with this Act are repealed.